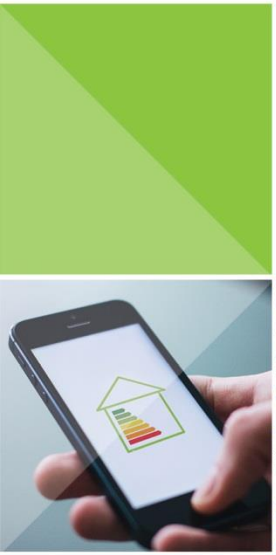


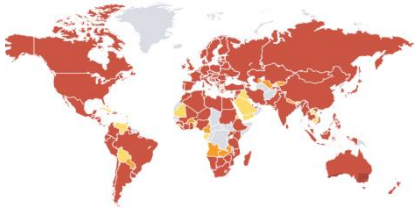
New Framework for Renewable Energy and BEMIP cooperation

26 September 2018

Dr. Anne-Maria Ide
Baltic Offshore Grid Forum, Hamburg

SETTING THE SCENE

- **Falling costs of renewables worldwide**
- **EU first mover** – today, 173 countries have renewable energy targets



- **How to retain leadership?**
  - Explore new areas for competitiveness: integrated systems, offshore, small-scale and decentralized solutions

- **Domestic benefits:**
  - ~ 1.4 million jobs
  - Reduced import dependency
- **Looking ahead:**
  - Increase efforts across sectors
  - Integrate high RES shares
  - Decentralize + empower consumers

2030 FRAMEWORK
THE REVISED RENEWABLES DIRECTIVE – KEY OBJECTIVES

Contributing to the EU political priority of **world leadership in renewables**

&

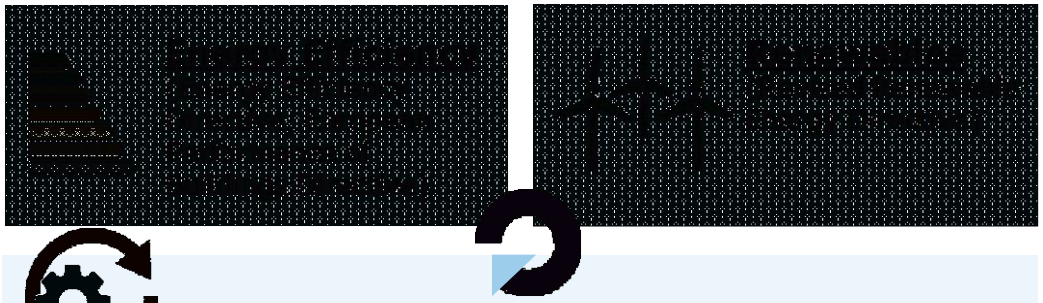
Achieving the at least 32 % EU-level binding renewables target cost-effectively

THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

" In essence the new package is about tapping our green growth potential across the board"

Commissioner Miguel Arias Cañete (2016)

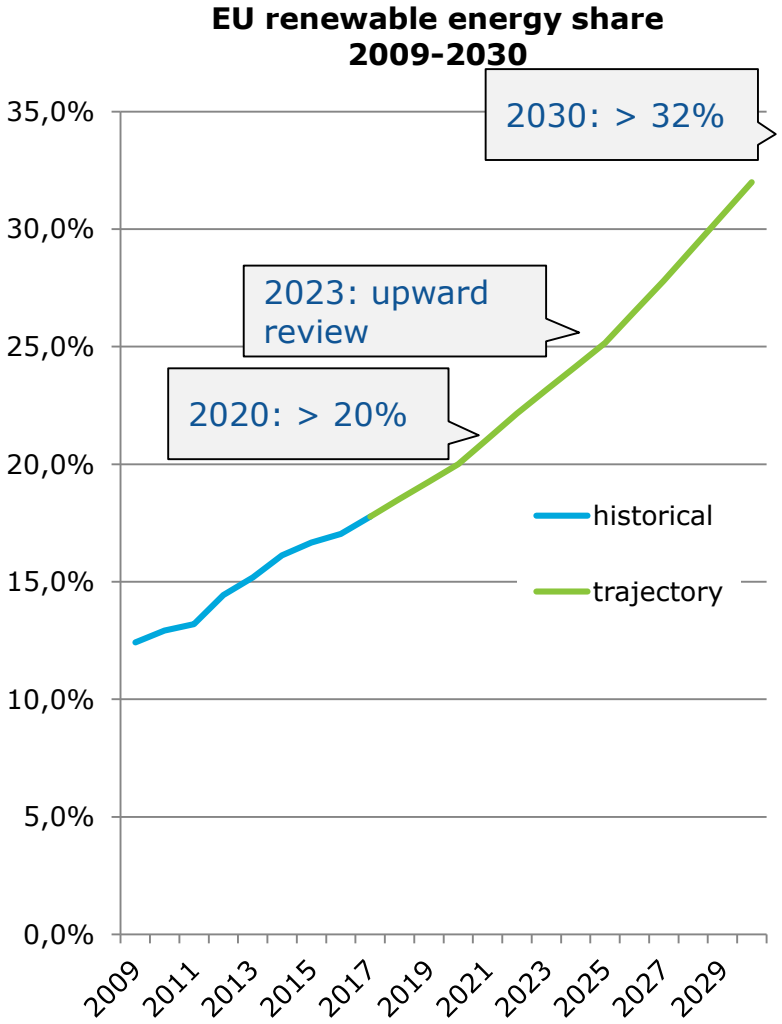
Energy Union Governance



New Electricity Market Design
(including Risk Preparedness)

European Commission

MOVING TO A NEW MORE EUROPEAN APPROACH TO RENEWABLES



- **Binding EU-target of at least 32%** (upward review in 2023)
- Underpinned by **national contributions**
- **Formula** to assess contributions (in case of ambition gap)
- **Collective responsibility** of target achievement
- **Joint measures** (EU financial platform)

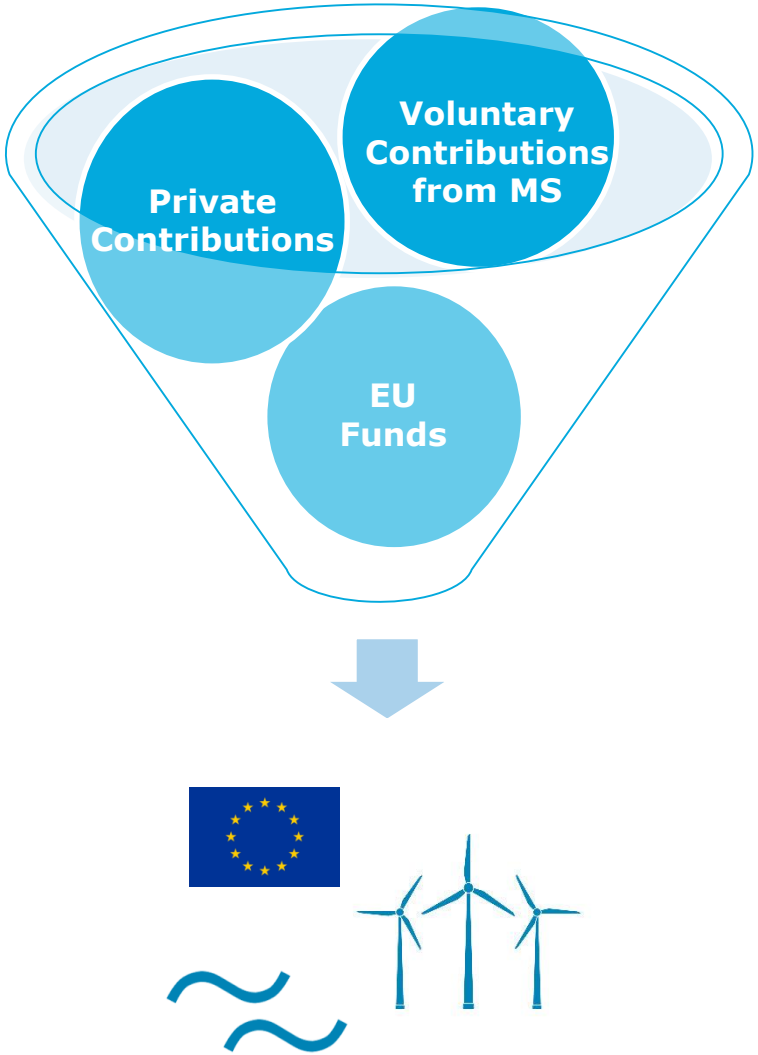
European Commission

A SET OF WELL-BALANCED MEASURES TO GET TO AT LEAST 32%

Toolbox

- Investment certainty
- Cost-effective support
- Streamlined procedures
- Empowering consumers
- Regional cooperation
- Target for transport
- Target for heating and cooling
- Sustainable bioenergy
- Gap filler
- Revised CEF & new MFF
- Access & curtailment rules

POOLING CONTRIBUTIONS FOR EUROPEAN PROJECTS



Financing mechanism to tender support for renewable energy projects in the EU to:

- **Cover deployment gaps**
- **Ensure a cost-effective deployment** in the absence of any gap
- To be established by 2021 (Implementing At)

PLANNING AND REPORTING

31 December 2018: Draft plan → 31 December 2019: Final plan → 15 March 2023: Progress reports every 2 years

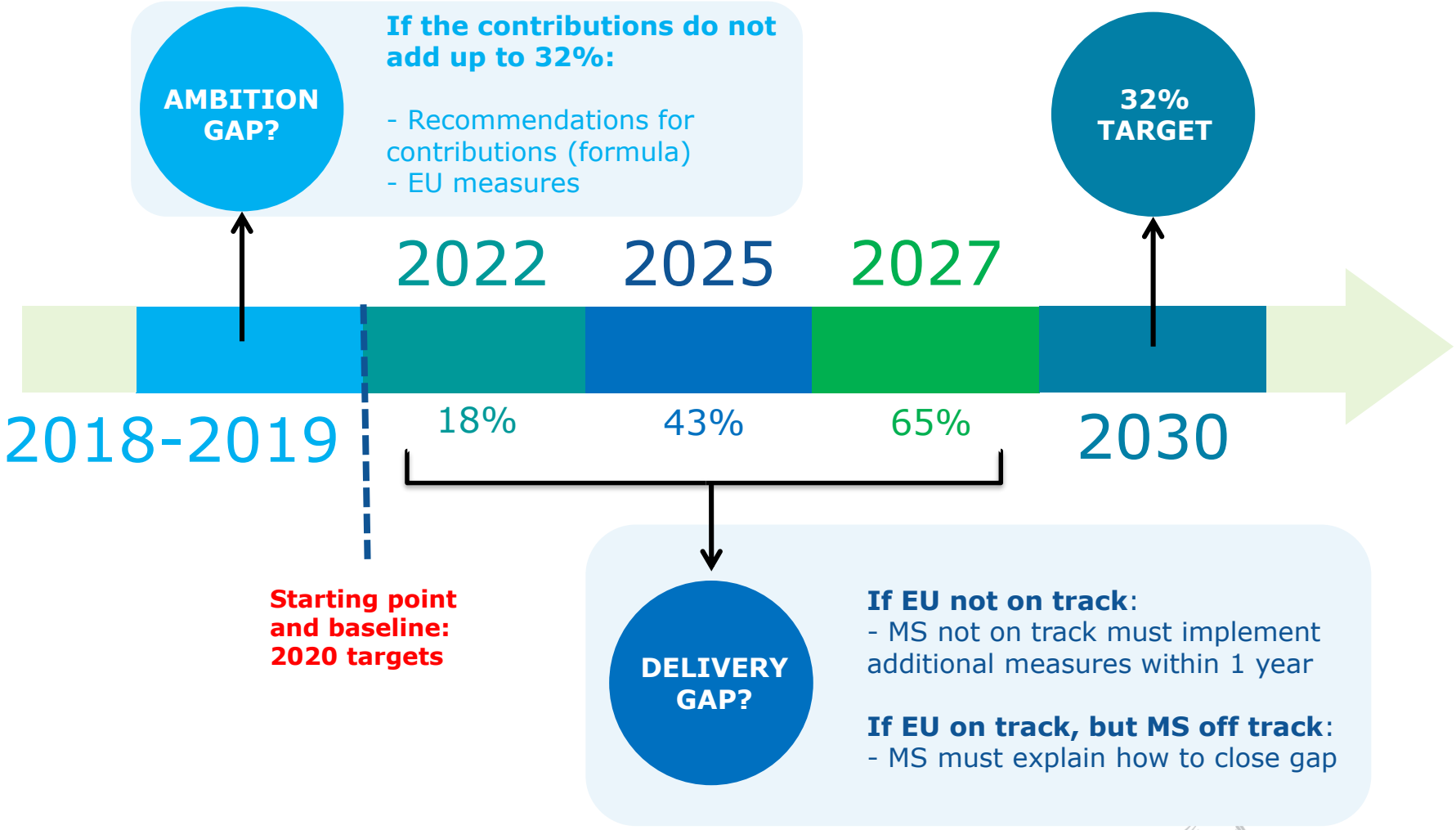
- ✓ Planning and reporting obligations on renewables are now integrated in **energy and climate plans and progress reports** (Governance Regulation)

- ✓ **Integrated national plans:**
  - RES Objectives and trajectories
  - Policies and measures

- ✓ **Integrated national progress reports:**
  - Assessment of the implementation of the plans

- ✓ **Monitoring by the Commission**

ENSURING THE TARGET IS ACHIEVED



ENHANCED FINANCING TOOLBOX TO SUPPORT RENEWABLES

EU Funding Instruments supporting RES in the next MFF

INCREASED CLIMATE MAINSTREAMING ACROSS EU BUDGET (25%)

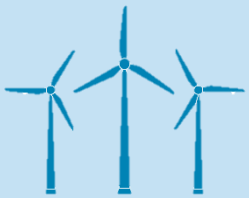
- Cohesion Funds
- Invest EU
- Horizon Europe
- Connecting Europe Facility
- LIFE Clean Energy Transition Program
- Innovation Fund*

European Commission

* INNOVATION FUND BUDGET COMES FROM EU ETS ALLOWANCES

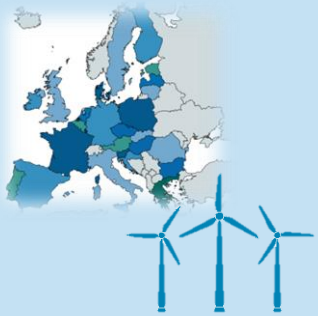
NEW CONNECTING EUROPE FACILTY
- Cross-border projects in the field of renewable energy -

WHY?



- **New political context for 2030 renewables objectives: EU target and regional cooperation**
- **55 % share of RES in EU electricity in 2030**
- **Cost-effective RES deployment**

WHAT?



- **Facilitate RES projects under a cooperation agreement between 2 or more MS**
- **Support uptake of strategic RES technologies**

➢ ***Up to 10% of CEF-E Budget (= € 865 mln)***

HOW?

€

- **Technical assistance, blending (grants for studies)**
- **Financial support (grant for works) to limited number of projects with clear EU-added value**
- **As part of synergy projects €**

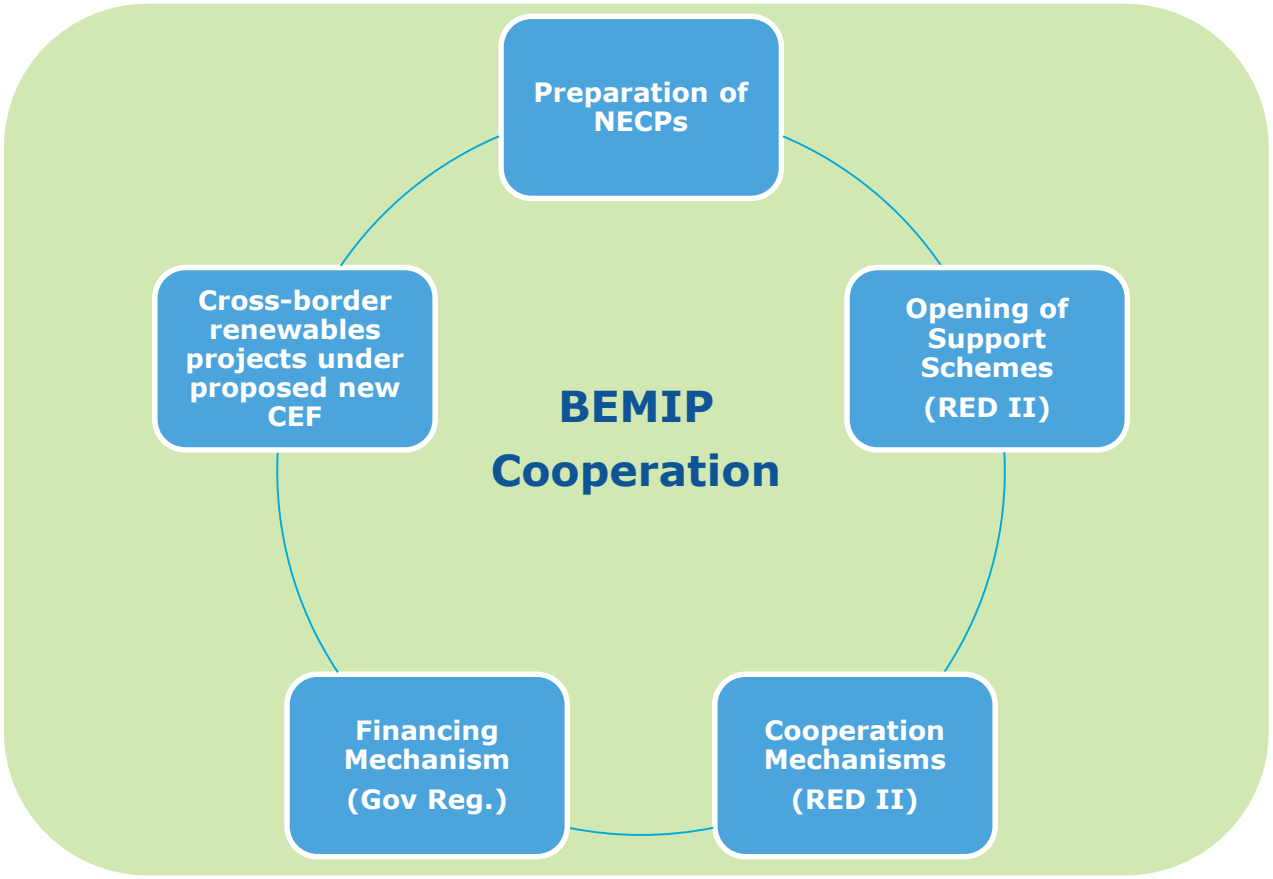
BEMIP WORK ON RES

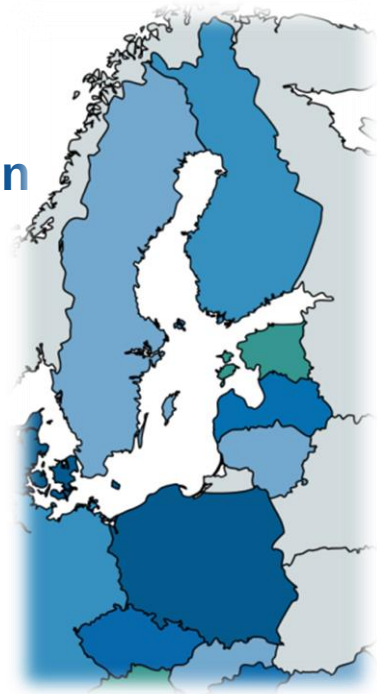
National Energy and Climate Plans	➢ **Exchange on the preparation** and **coordination** of national Energy and Climate Plans ➢ **Exchange on implementation** of plans (at later stage)
Offshore Wind Cooperation Initiative	➢ **Study** on a Baltic Sea Offshore Wind Cooperation ➢ **Identify potential joint offshore wind projects** (generation and grid, including options for joint projects)
RES Support Schemes/ Policy measures	**Electricity, Heating and Cooling, Transport** ➢ **Best practice exchange** ➢ Identify suitable **options for closer alignment** ➢ Identify suitable **options for cross-border support** (partial opening of support scheme/joint support schemes)

STUDY ON OFFSHORE WIND IN THE BALTIC SEA

1	Assessment of offshore wind potentials & Prioritisation of sites	List of potential wind farm locations incl. their capacity factors, assumed connection points, and estimated build and connection costs
2	Scenario modelling & Identification of possible PCIs	Simulation results for regional power system assuming different levels of both offshore wind deployment and of regional cooperation (incl. prices and flows)
3	Grid modelling & CBA of grid investment options	Simulation results for regional transmission system that identifies network bottlenecks; a CBA of options to address these
4	Market and regulatory barriers	Country-specific factsheets on the current market design and support framework, an overview of barriers to deployment and recommendations to address these
5	Planning and permitting barriers	Country-specific factsheets on maritime planning and permitting processes, an overview of barriers to deployment and recommendations to address these
6	Roadmap and work programme	Well-specified and actionable roadmap and work programme for a Baltic Sea offshore wind cooperation initiative
7	Stakeholder workshop	Content and stakeholder management for a workshop to present our results and provide stakeholders with an opportunity to comment on the project's work

New 2030 framework for renewable energy : Even more important role of BEMIP cooperation

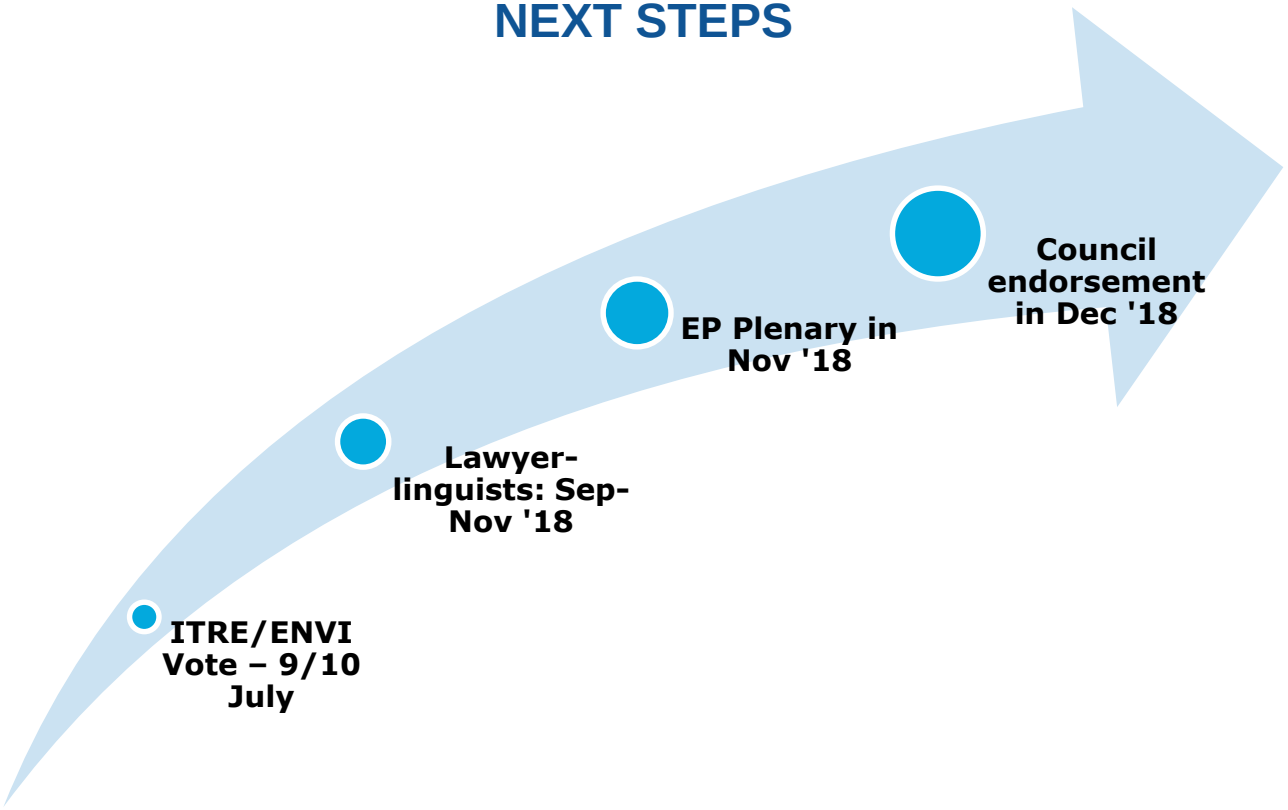




Thank you for your attention.

BACK UP

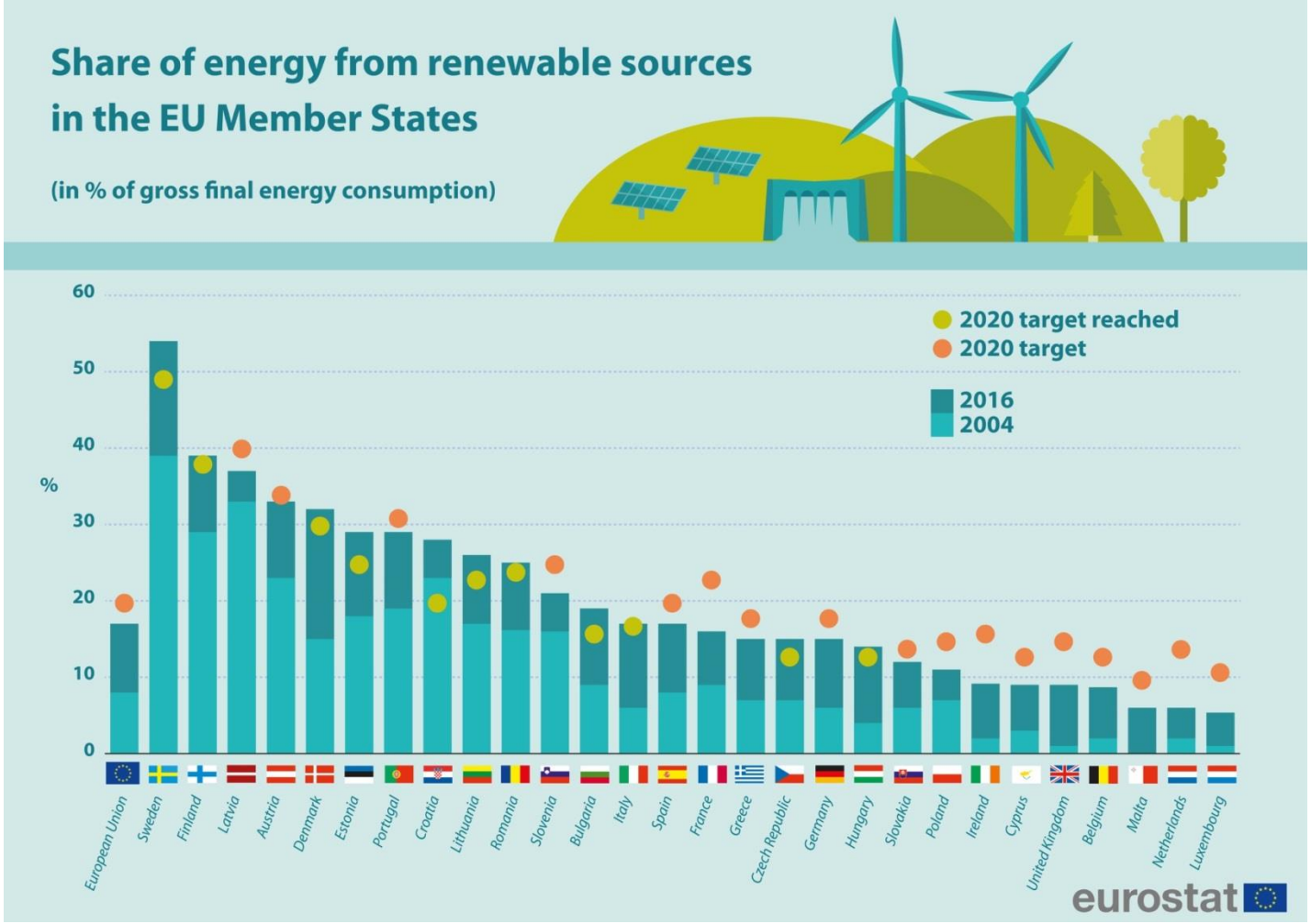
NEXT STEPS



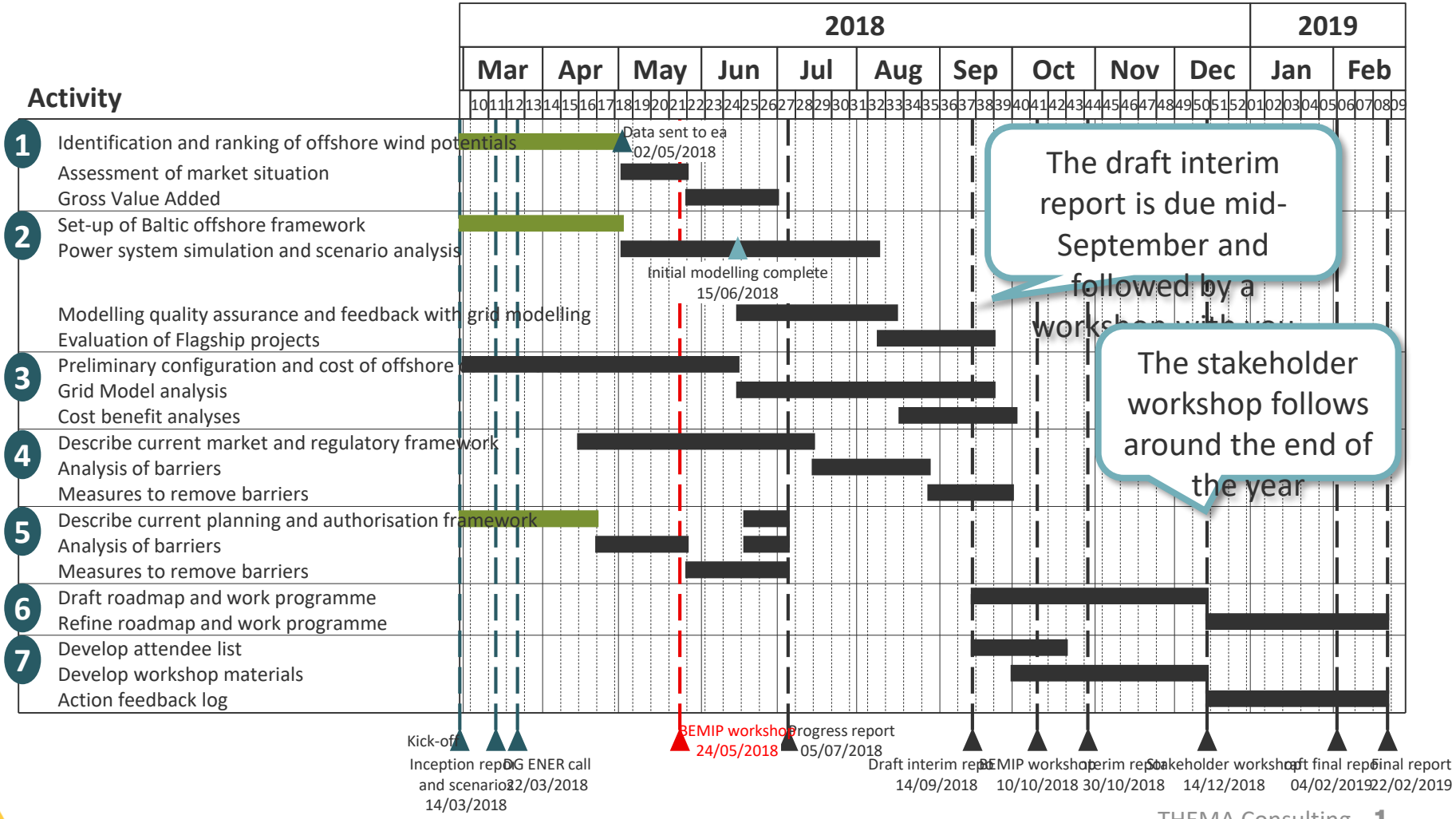
RED II Transposition by June 2021

Follow Up: Delegated Acts, Implementing Acts, Reports etc.

STATE OF PLAY - PROGRESS TOWARDS NATIONAL 2020 TARGETS



Source: EUROSTAT Shares 2016

European Commission

The current project plan is designed to support countries' National Energy and Climate Plans but requires quick decisions on the scenario design (discussed later)